Salt Lake City, June 14th, 1902.

Reconstruction of Alta Branch:

Mr. E. J. Yard,

Chief Engineer, Denver.

Dear Sir:-

Pursuant to your letter of May 19th, in company with Mr Bookledge I made a trip to Alta over the tramway to examine its present condition, and made an approximate estimate of what it would cost to put this in condition for operating with such electric motors and cars as Mr Rookledge proposes to use. He figures on pulling nine empty cars weighing about 3,000 pounds each up this grade by a motor weighing six tons. I have not sufficient data as to grades, etc, at present to determine accurately the weight of motor required, but estimate it will require one of about ten tons and have figured for bridges and track to safely sustain this weight.

My idea would be to make the terminus of the electric line at the Sandy sand pit about 1-1/2 miles East of Sandy, so as not to interfere with the operation of our trains to the pit.

-:PRESENT CONDITION OF LINE FROM SANDY:-

SAND PIT TO ALTA:-

From the sand pit to Wasatch the line is standard gauge laid with 30 pound rails which are in good condition. The ties are nearly all rotten and it is estimated that 2,000 ties per mile will be required to put the track in good operating order. There are but two trestle

bridges. These can be put in safe condition for the proposed equipment at a nominal cost. From Wasatch to Alta 7.76 miles there is a three foot gauge tramway with 24 pound and 16 pound scrap rail with practically no splices of any kind and laid on ties 4" x 4" or smaller, in section and mostly rotten.

The old tramway is well described by the old saying: "A right of way and two streaks of rust." The roadbed is very narrow and crooked but the material is good, being composed mostly of stone and gravel and can be put in shape for the proposed traffic quite cheaply--at about $300.00 per mile. There are about eighteen bridges mostly of twelve feet span supported on dry stone masonry, which on account of moderate span and light loading can be renewed very cheaply. There are a number of expensive cuts and retaining walls near Alta which were constructed in connection with the snow sheds formerly maintained. The snow sheds have all disappeared and it is not contemplated to replace these or to attempt to operate the line in the Winter during the period of heavy snow fall and snow slides.

-:PLAN OF RECONSTRUCTION OF LINE:-

It is herein proposed to move in both rails of the line from Sandy Pit to Wasatch to three feet gauge using 2,000 6" x 8" - 6' ties for renewals per mile, and to repair the bridges.

From Wasatch to Alta lay a new track using 30 pound rails and 2640 ties per mile. Leave the alignment as at present; clean out cuts and use the material for widening banks. Renew all bridges.

PROPOSITION NO 1:-

The Railway Company to put the tramway in condition for operation as above estimated, the rental to be $3,000.00 per annum.

I think it is fair to assume that the ties and bridges will be worthless at the expiration of ten years lease, and that a depreciation of 30% will have taken place in the rails and fastenings.

ESTIMATED COST:-

MATERIAL:

DEBIT:-

Ties, 6" x 8" - 6', 35,000 - - @ $ .40	$14,000.00		
Rails 30#, 365.20 Tons @ " 28.00	10,245.20		
Estimated cost to Railway Company of Improvement	$40,100.00		
Fastenings 15% of above - - -	1,556.80		
Bridge lumber ten years - - - - -	319.00		
4% for ten years	16,040.00		
TOTAL FOR MATERIAL and Interest - -		$26,100.00	
		$56,140.00	

LABOR:

Renewing Ties, 14,000 - - - @ $ .12	$ 1,680.00	
Changing Gauge Sandy Pit to Wasatch 7 miles - - - - - " 75.00	525.00	
Labor, Bridges - - - - -	200.00	
Laying Track Wasatch to Alta (including 2/10 mile side track) 7.96 Miles" 1000.00	7,960.00	
Repairing Grade 7.76 Miles - - " 300.00	2,328.00	
Supervision and Incidentals - -	1,307.00	
TOTAL FOR LABOR - - - - -		14,000.00
TOTAL FOR LABOR AND MATERIAL - - - - -		$40,100.00

-:COMPARISON OF THREE PROPOSITIONS MADE BY MESSRS JONES AND ROOKLEDGE:-

All the propositions are on a basis of ten years lease.

PROPOSITION NO 1:-

The Railway Company to put the tramway in condition for operation as above estimated, the rental to be $3,000.00 per annum.

I think it is fair to assume that the ties and bridges will be worthless at the expiration of ten years lease, and that a depreciation of 30% will have taken place in the rails and fastenings.

DEBIT:-

Estimated cost to Railway Company of Improvement	$40,100.00	
Interest at 4% ten years - - - - -	16,040.00	
Cost of Improvement and Interest - -		$56,140.00

CREDIT:-

Cost of Improvement and Interest, brought forward		$56,140.00
CREDIT:-		
The years rental at $3,000.00 - - - -	$30,000000	
Interest on above 4% for five years - -	6,000.00	
Value of rails and fastenings 70% - - -	8,247.40	
Rental and Value of Tramway Improvement - - -		$44,247.40
Net cost for securing business furnished by Tramway for ten years - - - - -		$11,892.60

PROPOSITION NO 2:-

The Railway Company to furnish material, ties, and rails, etc and receive a rental of 6% on the value of the material furnished.

DEBIT:-		
Material furnished - - - - - -	$26,100.00	
Interest on above 10 years at 4% - - -	10,440.00	
Cost of Improvement and interest - - - -		$36,540.00
CREDIT:-		
Rental 6% per annum 10 years - - - -	$15,660.00	
Interest on above 4% for five years - -	3,132.00	
Value of rails and fastenings 70% - - -	8,247.40	
Rental and Value of Tramway Improvement - - -		$27,039.40
Net cost for securing business furnished by Tramway ten years. - - - - - -		$ 9,500.60

PROPOSITION NO 3:-

Jones and Rookledge to bear the cost of improvement, and operate the tramway for ten years without paying rental (except a nominal price of $1.00 per annum and ten cents per ton providing the tonnage shipped exceeds 100 tons per day for eight months in the year) and then turn back the property with all the improvements excepting electrical

equipment to the Railway Company. Under this proposition the cost of increased business secured from the improved tramway would be nothing and the Railway Company would be the gainer by at least the scrap value of the rails to be laid on the tramway from Wasatch to Alta. In this comparison I have omitted taxes and the interest and depreciation on the rails and fastenings in track from Sandy Pit to Wasatch.

As the question of taking up and abandoning the track between Sandy Pit and Wasatch is not proposed, so far as I am aware and the investment is now unproductive, it seems proper to neglect the interest charged for the value of this track as also the taxes, which would probably not be effected. The depreciation on these rails when the track is comparatively straight would not be much greater than if left on the ground to rust.

With the proviso that the Railway Company may repossess itself of this property in any year during the life of the lease upon a proportional payment of the cost of the improvement according to the number of years the lease has run or a 10% reduction from the original cost for each year the lease has run, it appears that it will be safe for the Railway Company to lease this line to Messrs Jones and Rookledge under their third proposition even though the amount of business in sight for the Tramway is problematical.

-:TRAFFIC POSSIBILITIES:-

Messrs Jones and Rookledge who have a lease and bond on the Old Flagstaff Mine, which is reported to have produced eight million dollars, have a small force at work in the mine making explorations and they claim they have a dump which will furnish shipments of 75 to 100 tons daily for several years. Mr Haffield who has been quite successful

in mining in Tintic has become interested in some properties at Alta, and I understand is doing considerable development work. There were about fifty men in the camp when I was there.

With proper facilities, it is believed a very nice excursion business can be developed for this line. The fishing in Little Cottonwood Canon Creek is said to be good and the scenery to be viewed from the Tramway surpasses in beauty anything on the line of the Western.

Respectfully,

(Signed) F. E. Baxter,

Division Engineer.

Sparco

FILE FOLDERS
LETTER SIZE—SP111⅓
Mfg. for S.P Richards Co